Evolution of the Start-up Founder:

Shifts in Delegation

by

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Abstract

Start-up founders routinely exercise decision-making authority as they establish and develop their ventures. However, as start-ups grow, it becomes challenging for their founders to make all decisions on behalf of their organizations. To capitalize on new opportunities, founders must delegate to colleagues outside of their core team to free up their physical and cognitive resources. Extant research on delegation focuses on comparatively static organizational settings, failing to capture the volatile processes that are characteristic of start-ups. Given the unpredictable nature of start-ups, founders must be highly flexible to drive the success of their ventures. Through a qualitative, inductive study of 37 start-up founders, I offer a theoretical model of delegation in start-ups depicting the psychological shifts founders undergo when surpassing developmental milestones. My findings suggest that these psychological shifts occur in three broadly defined phases: (1) attachment, (2) uncoupling, and (3) opportunity. When interviewed, founders generally corroborated experiences where they made choices that led to increased growth or stagnation for their organizations. In developing a process model for rapidly evolving environments, I further elucidate the processes of leadership and delegation.
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Introduction

Start-ups have had a tremendous influence on modern society, becoming a catalyst for rapid world economic growth (Jurgens, 2022). In 2021, start-ups shattered global funding records with a total of over $620 billion; funding for early-stage start-ups alone increased from $100 billion in 2020 to $201 billion in 2021 (Chapman, 2022; Teare, 2022). Within the last decade, we’ve seen the number of unicorn start-ups\(^1\) go from 39 to over 900, currently valued at over $3.5 trillion collectively (Rubio, 2023). By disrupting industries, these ventures have dramatically shaped the way we interact with the world: changing the way we shop, travel, and communicate (McDonald & Gao, 2019). Despite their impact, the road to success for start-ups is anything but easy. Amidst the age of the Fourth Industrial Revolution, a period defined by rapidly improving technology and the advancement of industries, idleness is not an option (Schwab, 2016). For young firms, establishing and maintaining a competitive position in an industry hinges on their ability to leverage their limited resources, capabilities, and strategic assets (Thornhill & Amit, 2003). Start-ups must innovate or risk failure, and much of this burden lies with their founders.

Start-up founders often find it necessary to make great personal sacrifices to achieve their vision. Upsetting industry incumbents is an arduous task; long hours, burnout, and detrimental health outcomes often accompany the start-up experience, with little assurance of success (Khaire, 2010; Shepherd et al., 2010). In response, modern founders are rarely choosing to undertake this journey alone. Many of these new ventures are not founded and led by individuals but by a core team of founders (Klotz et al., 2014; Lechler, 2001; West, 2007). This original team of founders has a broader pool of resources from which it can draw upon (Shane & Stuart, \(^1\) Unicorn is a term coined by Lee (2013) used to represent a start-up venture with a $1 billion valuation.)
2022), but perhaps more importantly, these groups leverage collaboration to shape the future of their ventures. Given that team composition is recognized in academic literature as having substantial ramifications for organizational performance (Stewart, 2006), early decisions made by founders have long-term ramifications for future growth prospects. Often, the impact of these decisions will linger long after they depart from their ventures (De Cuyper et al., 2020).

While teams of founders bear the burden of their organization’s success, they also face cognitive and physical limitations as they develop and scale their ventures (De Pater et al., 2010). To remedy this, founders are tasked with expanding their teams to support them in their entrepreneurial endeavors (Beckman & Burton, 2008; Ferguson et al., 2016). This extended team will be crucial to the longevity of the enterprise. Thus, start-up founders, a group renowned for their narcissistic tendencies and overconfidence (Navis & Volkan Ozbeck, 2016), must learn to delegate to others to grow their ventures and meet key milestones.

The workplace is rapidly evolving. Over the past several decades, the marketplace has become increasingly turbulent, pushing organizations to quickly make decisions to ensure they remain competitive (Luciano et al, 2020; Perlow et al., 2002). Nonetheless, scholarship on delegation within rapidly changing, fast-paced business environments remains limited with most delegation research focusing on established corporations (e.g., Bunderson, 2003; Chen & Aryee, 2007; Schriesheim et al., 1998). Without conceptual clarity on how start-up founders build their teams during various stages of growth, we lack a clear understanding of how founders establish the foundation their ventures are built upon. The primary research question I seek to answer through this research is: How do start-up founders delegate decision-making authority to their colleagues? In doing so, I also seek to understand how founder delegation can be either (1) an impediment to organizational progress, or (2) a pathway for growth and improved organizational
performance. Due to the limited theory on start-up founder delegation, I took an inductive, grounded theory approach: interviewing a diverse sample of founders who are leading, or have formerly led, start-ups across an array of growth stages and industries. Using this data, I generated temporal dimensions, or phases, in which start-up founders approach the delegation of decision-making authority as their ventures meet developmental milestones.
Theoretical Framework

To explore relevant literature on the topic of delegation, I conducted a critical review of six of the most high-impact journals for management and leadership. These journals included the *Administrative Science Quarterly, Academy of Management Journal, Academy of Management Review, Journal of Applied Psychology, Organization Science*, and *Organizational Behavior and Human Decision Processes*. Each journal within the scope of this literature review had an impact factor greater than 5.1 at the time of submission. Although these six journals were the focal point of this review, I have included articles from other peer-reviewed academic journals in my analysis.

Start-ups and Founders

While the term “start-up” is often discussed in academic literature, there exist multiple terms and conceptualizations used by scholars to depict this unique type of enterprise. For the purposes of this research, I adopt Knight, Greer, & de Jong’s (2020) multidimensional conceptualization of a start-up team. Their paradigm defines a start-up team as “a group of two or more people who work together interdependently to discover, evaluate, and exploit opportunities to create new products or services and who collectively have some ownership of equity, some autonomy of decision-making, and some entitativity” (255). Operating within this framework, each of these dimensions is regarded as continuous rather than discrete. All founders who participated in this study meet the aforementioned criteria, albeit focal start-ups displayed varying levels of equity, decision-making autonomy, and entitativity.

As the global business terrain becomes increasingly tumultuous and uncertain (Luciano et al., 2020), scholars have committed significant resources over the past decade to understanding the decision-making structures within companies. As noted by Ferguson et al. (2016), top
management teams (TMTs) in a start-up context must utilize constrained resources to maintain short-term demands and capitalize on growth opportunities. As ventures pass key development milestones (e.g., obtaining venture capital, or staging an initial public offering), they are presented with opportunities to restructure their TMTs (Ferguson et al., 2016). Ferguson’s research also finds TMTs within a new venture exist in a “professionalization paradox” in which firms cannot reach the level of professionalization needed to attain resources (i.e., social and financial resources) without first having acquired those resources (Ferguson et al., 2016: 1444-1445). This can make it especially difficult for early-stage start-ups to grow and innovate.

The earliest TMT for a start-up begins with its core team of founders. While these founders bring experiences and connections from their prior experiences (Shane & Stuart, 2022), they often assume roles in which they lack functional expertise (Beckman & Burton, 2008). For example, a founder with a computer science background might serve as the head of marketing, or a founder with a background in finance might lead sales. Because they lack the resources to build a team in the early days of their enterprises, founders frequently serve as generalists within their organizations.

Recognizing the founder’s role in venture performance, scholars have dedicated substantial research to their involvement in enterprises. Founder involvement within TMTs not only shapes firm outcomes, improving levels of team competence and capturing growth opportunities (Kor, 2003), but the decisions they make early on will have lasting ramifications for the future performance of their enterprise (De Cuyper et al., 2020). Introduced by Stinchcombe (1965), imprinting theory demonstrates that organizations carry forth characteristics and values from their foundational context. This strong initial imprint forms the basis of the organization’s character, directly impacting firm outcomes and “shaping the very
nature of the organization” (Beckman & Burton, 2008: 19). Thus, from the beginning, founders play a pivotal role in the success or failure of their ventures. The important role start-up founders play in start-ups is well-established in academic research; however, founders cannot make every decision, especially as the organization begins to grow (Dobrajska et al., 2015). To meet the ever-increasing demands of stakeholders, founders must entrust others with making decisions on behalf of their ventures. Thus, this paper seeks to examine the process by which start-up founders delegate this decision-making authority to their colleagues as the venture achieves milestones.

**Delegation of Decision-making Authority**

Delegation is an integral part of organizational decision-making processes. As defined by Dobrajska et al. (2015: 687), delegation is an “adaptive organizational mechanism that is fundamentally rooted in how the organization distributes decision-making authority and designs and effective division of labor across hierarchies.” In addition, delegation stresses subordinate, or employee, autonomy in the decision-making process (Locke & Schweiger, 1979). Despite delegation’s importance in organizational design and decision-making, several scholars note that delegation remains a remarkably understudied phenomenon (Dobrajska et al., 2015; Leana, 1986, 1987).

Extant research examines delegation in static, traditional corporate environments (e.g., Chen & Aryee, 2007; Dobrajska et al., 2015) or scenarios designed to emulate a business environment (e.g., Staffel et al., 2016). These contexts are lacking in the dynamism present in start-up organizations. Noting this gap, several studies have been conducted on leadership and decision-making processes in highly volatile, unstable work environments, such as trauma care and inpatient units (e.g., Klein et al., 2006; Mayo, 2022). While not a perfect example, these
settings do provide extreme situations that lend insight into the challenges facing start-ups such as interdependencies among members, flexible leadership, and withdrawal of roles due to challenging demands (Klein et al., 2006). However, key differences exist. For trauma care units—unlike start-ups—rapid delegation and exceptional performance are oftentimes a matter of life and death. In addition, start-ups, especially in later stages, often feature multiple business subunits, reporting structures, and performance metrics. Trauma unit teams do serve as an extreme microcosm for the challenges facing modern-day businesses such as start-ups (Klein et al., 2006).

Recently, Heejung et al. (2017) examined how co-founders within an early-stage venture allocate task positions. They found that both specific expertise (i.e., prior relevant work experience) and diffuse status cues (i.e., observable attributes such as personal traits) are used to allocate individual members to positions within the founding team. Interestingly, their team observed that a co-founder was more likely to occupy a task position when they had specific expertise and their diffuse status cues indicated they were more likely to occupy that position. For functionally homogenous teams, diffuse status cues were often utilized for task position allocation (Heejung et al., 2017). While this study did examine how task-relevant decision-making authority was allocated amongst co-founders, this study did not examine how these positions shifted over time, especially during stages of substantial growth and development. Re-allocation of task positions will likely be necessary as ventures scale.

For start-ups, as rivals to industry incumbents, quick decision-making and fast action are crucial to increase their odds of survival (Perlow et al., 2002). Despite the importance of agility for firm success, there also exists a “speed trap” for organizations that fixate on quick decision-making processes (Perlow et al., 2002: 932). Quick decision-making in the initial stages of
growth proves helpful in achieving milestones; however, while this gives firms an advantage early on in their lifecycle, this internal drive for ever-faster decision-making can eventually become self-destructive (Perlow et al., 2002). Thus, decision-making within an organization needs to be carefully structured during the initial stages of development to prevent a decline in performance and to effectively capitalize on growth opportunities. All firms—established corporations and start-ups alike—allocate formal authority (i.e., the right to decide) and real authority (i.e., effective control over decisions) amongst their organization’s leaders and employees (Dobratska et al., 2015). Often the formal authority holder delegates to a real authority holder when (1) specialized knowledge is needed, (2) the formal holder lacks relevant knowledge and needs a real authority holder with expertise, or (3) the formal holder’s cognitive capacity is overloaded (Dobratska et al., 2015). In a start-up context, there are usually very few co-founders, or formal authority holders, at the beginning of a venture. If the venture successfully scales, the founder will need to delegate to their colleagues. This thesis seeks to understand how founders delegate at all different stages of start-up growth.
Methodology

Given the limited theory pertaining to delegation within start-up ventures, I took an inductive, grounded theory approach to collect and analyze data (Glaser & Strauss, 1967; Strauss & Corbin, 1990). Creswell (1998) notes that qualitative research is desirable when the topic of inquiry is oriented around how something occurs (i.e., process) or lacks substantive theoretical exploration. In addition, O’Reilly et al. (2012: 260), determined that grounded theory, due to its “holistic, flexible, and fluid processes,” is appropriate for opening new areas of inquiry in a field of study. The interview protocol underwent several revisions throughout the research analysis and collection process to better address emerging themes (Spradley, 1979; Charmaz, 2006). As the study progressed, primary areas of interest were refined and explored based on the responses of start-up founders.

Sample

For this study, I invited 356 start-up founders to participate through LinkedIn, the business social media platform; University of Michigan faculty directories, alumni databases, and events; and start-up career fairs hosted by accelerators and University departments. Of those who were contacted, 37 independent start-up founders participated in a one-on-one interview. The average age of founders in this sample was 40.58 and was predominately male (32 founders). The majority of the interviewees had one or more co-founders (31) with most interviewees currently or previously occupying the position of Chief Executive Officer (CEO) within their venture (27).

Much of this data was acquired by speaking with founders directly. However, when additional background data were needed (e.g., age, fundraising rounds, and industry), data were triangulated using LinkedIn, Crunchbase, and Pitchbook. Of the founders in the sample, 19 were
currently or previously affiliated (i.e., faculty or alumni) with the University of Michigan. Broadly defined, industries represented in the sample include software development, application-based technology, and network security (21 companies); manufacturing and transportation (8); food and beverage (2); biotechnology research and healthcare (3); agriculture (1); consumer electronics (1); and retail (1). 26 of the ventures were financed by venture capital, while the remaining companies were either bootstrapped or grant-funded. 5 founders previously led or were actively leading a start-up that was acquired. The median number of employees (excluding independent contractors) for the founder’s focal start-up venture was 24 and the median age of these ventures was 6 years and 5 months. More information on founder demographics and start-up backgrounds can be found in Figure 1.
Figure 1. Founder demographic and start-up backgrounds

<table>
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<tr>
<th>Identifier</th>
<th>Gender</th>
<th>Founder Age (years)</th>
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<th>General Industry</th>
<th># of employees</th>
<th>Venture Backed</th>
<th>Total Funding Raised</th>
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Data Collection

All data were collected through one-on-one semi-structured interviews that lasted 20 to 60 minutes. They were recorded with permission and transcribed using the speak-to-text transcription application, Otter.ai. All interviewees have been ascribed randomized numbers to protect their identities. For these interviews, I created an interview methodology that draws on two previous protocols: a protocol utilized by Petriglieri & Peshkam (2022) to build theory on the marginal leaders’ conception of learning in organizations and a second protocol generated by Caza et al. (2018) to understand how individuals sustain authenticity in multiple, shifting work roles. Both studies employed inductive, theory-building techniques to gather data by working iteratively between data and literature making them well-suited templates for this interview protocol. Over the four months in which I conducted interviews, the interview protocol underwent two major revisions, see Appendices A & B, and one minor revision, see Appendix C, to address emerging themes. All interviews involved broad questions about how founders identify those to whom they should delegate and how the way they delegate this authority has shifted over the course of their focal ventures. For each interview, founders were also asked about their current role within their venture, aside from their status as a founder; the number of employees in their ventures; and funding sources for their ventures. Throughout the data collection process, I modified the interview protocol to identify trends and delve deeper into emerging themes (Spradley, 1979).

The first interview protocol contained broad questions regarding entrepreneurial identity, satisfaction with entrepreneurial work, challenging aspects of their role, and future outlook; see Appendix A. After the initial 11 interviews, themes began to emerge around colleague trust, psychological uncoupling, team building, and identification of individual strengths and
weaknesses. In subsequent interviews, the protocol was modified twice to elicit responses from founders to examine these areas of interest; see Appendix B and C. These interview protocols allowed me to further develop themes and explore the delegation processes within start-up ventures. I did not revise the interview protocol after 27 interviews and no novel insights emerged after 36, indicating that theoretical saturation had been achieved (Glaser & Strauss, 1967). After 37 interviews, I ceased collecting data and began finalizing a model for founder delegation processes.

Data Analysis

To analyze the interview data, I adhered closely to preset inductive theory-building guidelines (Glaser & Strauss, 1967; Strauss & Corbin, 1990), verifying theory and trends in tandem throughout the data collection and analysis process. Before each interview, I collected demographic information for each founder and background information on their focal ventures. Throughout the interview process, I collected structured field notes, recording emerging key themes and points of differentiation between interviews. Post-data collection, I consolidated field notes to generate memos for each interview to analyze emerging trends, key phrases, and distinctions among founders (Charmaz, 2006). Early interview questions focused on understanding the founder’s entrepreneurial identity, role satisfaction, and current challenges. After the first 11 interviews, themes began to emerge surrounding the founder’s psychological disengagement, team building, and context switching. These led me to modify my interview protocol to explore these areas in greater detail, see Appendix B.

As data collection progressed, I was able to group first-order codes into six distinct subphases of delegation. For example, when probed about delegation in the early days of their focal ventures, start-up founders expressed statements about constructing the vision for their
product and company, generalized skillsets (i.e., being a “jack-of-all-trades” (FND26) or “wearer of many hats” (FND6)), and an inability or unwillingness to delegate authority to those outside of the core founding team. These codes were reorganized under the “development” second-order category to highlight the initial stage of growth many founders must undergo as they set a “North Star” (FND23) for their newly founded venture. In another case, first-order codes surrounding the settings of company culture, development as an organizational leader, and shoring up personal and organizational strengths, were grouped under the stage of “building.” Subsequently, second-order codes were organized and used to generate three aggregate dimensions or “phases” of founder delegation. For example, the second-order codes, “reset” and “transition,” were used to create the “uncoupling” phase of start-up founder delegation in which founders begin to cede elevated levels of decision-making authority to their colleagues. The process of categorizing first-order codes, second-order codes, and aggregate dimensions is depicted in Figure 2.

Throughout this iterative data interpretation process, I consulted prior research on delegation, start-up founders, and task allocation. After converging on the final aggregate dimensions, I reexamined the verbatim interview transcripts to cross-reference these dimensions with the narrative data gathered from start-up founders. This allowed for the establishment of a theoretical process by which start-up founders begin to cede decision-making authority to their colleagues over the course of their ventures.
Figure 2. Data organization and analysis for first- and second-order codes and aggregate dimensions

<table>
<thead>
<tr>
<th>First-order Codes</th>
<th>Second-order Codes / Stages</th>
<th>Aggregate Dimensions / Phases</th>
</tr>
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</table>
| Crafting product / company vision  
“In the weeds” / “wearing many hats”  
Not delegating decision-making early-on | Development | Attachment |
| Sales begin to increase  
Fundraising rounds / increasing capital  
Identification of delegates | Extension | |
| Reposition self as a leader  
Improving cognitive capacity / avoiding burnout  
Psychological disengagement | Reset | Uncoupling |
| Focus on core competencies  
Delegation to trusted individuals  
Delegate replacing founder in roles | Transition | |
| Setting the culture of the company  
Development as an organizational leader  
Fortify personal / company weaknesses | Building | Opportunity |
| Conveying mission & values to delegates  
Empowering subordinates and colleagues  
Focusing on company performance and longevity | Catalyst | |
| Limits to growth  
Delegating prematurely | Stagnation | |
| Decreased burnout  
Improved personal / company performance | Growth | |
Findings

While start-up founders differ greatly in their leadership and management tactics, I was able to identify high-level commonalities in how they describe the importance of delegation within their organizations, particularly regarding the growth and development of their ventures. A majority of founders identified that the ability to context switch and mentally reset during all stages of growth was a crucial characteristic of successful founders. An exemplar of this mentality, FND34\(^2\) stated:

“What made [founders] go from zero to one is not necessarily what will let them go from one to ten and especially not when they have to go from ten to one hundred. A totally different skill set is required.”

Several late-stage founders alluded to a similar phenomenon, with FND08 claiming that “super early-stage founding is one thing. Then the second thing is scaling. And the third is hyper growth. And most people who do [stage] one can do [stage] two. But most people who do one and two well, aren’t good at [stage] three.” These findings illustrated that there are substantial psychological shifts that founders need to undergo to successfully delegate and develop their ventures. Founders indicated that they needed to evolve alongside their organizations or risk being left behind by competitors. The responses from founders indicated these shifts occur in three broadly defined phases, each encompassing dual subphases: (1) attachment, (2) uncoupling, and (3) opportunity. The ability of start-up founders to pivot in each of these three phases dictated the degree of growth their start-up experienced. Representative quotes for each stage can be found in Table 1.

\(^2\) To protect the identities of founders who participated in this study I have incorporated the deidentification method employed by Rouse (2016), each founder will be referred to by a unique numerical identifier starting with FND (i.e., founder). All company names have been redacted or replaced.
Phase 1: Attachment

Early in the development of their ventures, start-up founders are burdened with running most day-to-day functions of their organizations themselves, often delegating responsibilities amongst a small team of co-founders with a pre-established sense of trust. As noted by multiple founders, this can create a sense of psychological attachment for founders, making it difficult for them to delegate to new employees or colleagues. Wasserman (2012) notes that some founders even begin to think of their start-up as their child; this depiction was corroborated by several founders dubbing this phenomenon, “baby syndrome” (FND01) or “founders’ disease” (FND08). While this attachment has the potential to slow growth in the subsequent phase, several founders note that the underpinnings of the attachment phase are an essential step in the start-up experience. The dual subphases of attachment are (1) development, in which the founder—usually alongside a team of co-founders—innovates and develops a product alongside a company vision; and (2) extension, in which sales and public interest increase rapidly and founders generally begin fundraising heavily and identifying potential delegates to help manage growth.

Development

The development stage is the earliest stage of start-up evolution and delegation largely occurs within the founding team and decision-making is assigned based on fields of functional expertise. Menial tasks (e.g., sending emails, cleaning, boxing, etc.) and mundane decision-making (e.g., organizing files, travel arrangements, etc.) are still largely the responsibility of founders. Interviewees noted that while they are responsible for strategic decision-making, they often delegate specific tasks to external entities such as independent contractors or consultants. Most start-up founders in this sample indicated that they are attempting to accomplish complex, innovative work. Nonetheless, much of the decision-making remains internal to the core team.
and founders alluded to the idea that they were generalists within their organizations in the earliest stages of development. During the development stage, founders are required to serve in multiple different roles and functions, including roles outside their domains of expertise. To illustrate, FND06 described:

“In the first three to five years of a startup, you are wearing a lot of different hats. You are down in the mud and heavily involved with day-to-day operations. You're the most important business development engine for your company.”

While founders indicated they have domains of expertise when beginning a start-up, they often must maintain control over mundane decisions because they lack the resources required to offload these responsibilities. Passion, adaptability, and long hours are prominent features of the founder who is in the development stage of the start-up process. In addition to a lack of resources, founders often find it difficult to delegate during this stage due to a lack of time to dedicate to the onboarding process. One of the most important responsibilities founders discussed within this early stage of development is the careful crafting of the start-up’s vision to portray the company to investors, new employees, prospective clients, and the media. For founders, vision-setting seemed to be a prerequisite to the delegation of decision-making authority. This sentiment was shared by founders irrespective of the start-up’s characteristics (i.e., age, funding, industry, etc.) or demographics of the founder (e.g., age, gender, experience, etc.). FND25, a founder currently operating within this early-development stage of growth, stated:

“I would say it's not too much of a problem to hold onto things at least in the first year or two. Because if you're trying to delegate a ton of stuff initially, I feel like it could go all over the place. Honestly, it could be good to hold onto the vision and make sure things are going smoothly, and really establish some solid processes.”
Without a set vision, it’s difficult for founders to bring on new members and build out a team. When they have not articulated precisely what it is they have set out to accomplish and how they plan to achieve their goals, convincing prospective delegates to leave their jobs to join them on their journey is challenging. Founders who did delegate substantial decision-making authority outside of the founding start-up team during the development subphase often expressed regret and experienced setbacks (FND33 and FND35).

**Table 1**

<table>
<thead>
<tr>
<th>Stage</th>
<th>Founder Quotes</th>
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<tbody>
<tr>
<td>Development</td>
<td>FND28: “The biggest issue that we had, and the reason why we were not able to delegate, is because the business was on fire from almost minute one. And we just did not have the time to conduct interviews, to get people to step in and take on responsibility. And so, I wore a million different hats.”</td>
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<td></td>
<td>FND33: &quot;My point is I probably delegated too much at the beginning. And it was chaotic because I had people who didn't really know what they were doing and were acting autonomously...ultimately, that catches up to you. And you see the cracks in the system that have formed over time.”</td>
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<td></td>
<td>FND20: &quot;I'm saying this out loud to kind of tell it to myself, too. I think [the inability to delegate] comes from the fact that I can't articulate the vision which enables people to make decisions about how to get there. I'm scared to let go of the things I can control. And I don't ultimately trust anybody but myself, like I really don't I really at the core, just lean on myself.”</td>
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<tr>
<td>Extension</td>
<td>FND35: &quot; I just am like a little kid wearing daddy issues and trying to make this work well enough until I can bring in someone who really knows how. We want folks to have, usually, at least a few years of experience in a larger company where they've had a professional function, so they can bring over best practices, they can push us to mature in these ways because we just don't even know.”</td>
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<td></td>
<td>FND11: “It takes a lot of moving parts to make the engine run. So, if they all are not at the same momentum, then you have a problem. And if you don't start delegating, and [decision-making] is going to be stuck with one or two individuals, then you slow down the entire process.”</td>
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<td></td>
<td>FND20: &quot;Angel rounds, friends and family rounds, and even pre-seed rounds, they're not enough to get you really a team. In my experience, when I've seen the team come on, it's like a Seed or Series, A, you need around 5 to 10 million to get yourself 10 to 15 solid people.”</td>
</tr>
<tr>
<td>Reset</td>
<td>FND01: “So, in the beginning, it's very natural, I think. And it's probably the beginning, it's natural and appropriate. You must be to create a good company and you must be able to build the foundation for all the different parts. Now, at some point in time, you send your baby [i.e., company] to school, to preschool, to camp, and so on. So maybe it's not a terrible analogy, as time goes by, you need to be able to let go otherwise, the baby grows up to be weird, or a killer.”</td>
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|         | FND36: “And I wanted to put those people together to do that. So, you have to delegate and my philosophy on it from the beginning has been, to use an old adage or overused
cliché: If you want to go somewhere fast, go alone, if you want to go far go together. I knew from the beginning, we had to have a strong team because we were trying to do several insurmountable, seemingly impossible, tasks at a time and they can't be done alone; they have to be delegated."

FND26: "It’s been a great sort of mental release. Holding on to everything is just 10 more things to do. And you know, as you I’m sure he talked to all the founders, there’s always more to do, always more checklists, but if I can delegate and I can trust folks, I think there are two big wins, right? (A) it just gives me the mental space to do other projects and think through other things. And (B) it also it empowers folks to step up and lead and take initiative and think everything through."

FND04: “And I find myself sometimes in the afternoon, I’ll be in a conversation with someone and just realize my brain is like melting and that like I’m incapable of making any impact on the conversation. And I found myself actually the other day finally, saying, ‘Hey, let’s hit pause on this actually need a couple of minutes. I’m not useful right now. Let me step away and let’s reschedule this for tomorrow morning, when I’ll be a little bit more rejuvenated and be able to contribute.’"

Transition

FND28: "For the first six or seven months, I wouldn’t let them touch the product. I just wanted to make sure that they really understood how to speak the [product] language fluently. So eventually I got them up to speed. And I gave them a little leeway, not much, a little leeway to start making some sales calls…"

FND14: “Below co-founder, maybe C-suite level, you need to build that trust, right, so at the top level is the blind trust, and then the next level we’re going to get there and form blind trust. And so, you know, that starts with a very meticulous hiring process, we test our hires, we have them do case studies, projects, or presentations so that we actually know how they operate on the job.”

Building

FND26: “Let’s say I have 100 units of time, and I’m spending all of that in the business. Suddenly, I’m taking 60-70 out and doing something else for a couple of months and then coming back right. So while I was gone, I think it’s very crucial that the machine of the company continues running and that’s when I know we achieved a good point.”

FND22: “I have a philosophy around leadership and management and decision-making...that served me well around hiring highly capable people. Making sure and validating that they have the capability to look at a situation understand the problem, diagnose the problem, create a strategy to solve the problem, and implement that solution without micromanaging those people.”

FND05: “I have a key set of leaders on this team that I can easily rely on both to say, keep me in check and to make sure that I’m seeing things clearly seeing things widely. And, but also to take significant leadership roles in those things. So I would say that the delight for me is that there’s never been a moment where I felt very alone here. There’s that lonely moment of leadership, where you just have nobody else to lean on, but I always have somebody else to lean on here within the team.”

Catalyst

FND13: “Cultural issues, are something that stays with the founders. If a new thing happens in society, we are involved in that decision-making process and what Company Y’s response should be to that situation. Because I feel like most of the work that gets done, our managers can now manage and do it very well...I think the other space would be like, what is our sort of product direction vision? Like, what are we growing into? And what does that mean for who we’re going to be as a company at that point?”

FND18: “I don’t think that you can it’s a good idea for founders to delegate setting the mission or the vision for the company. So that’s not going to be really debatable, right? We’re not going to bring in somebody to tell us how to build our business because it would not be a good idea to decentralize that decision-making because there are lots of successful business models out there, but we have to do it our way.”

FND30: “It was much more about how the team is feeling about this and where, from my
unique vantage point, seeing across all this and thinking about that integrative sort of outcomes of what we’re trying to do together, where there were gaps. And it was almost like a constraint-solving problem, which is a great engineering focus model, where you sort of unblock the right things in the right order so the system as a whole can move forward...And then holding up the mirror to the team and saying, ‘Okay, here’s where we are. Here’s what I think we might need to do. What do you all think?’

Extension

Once founders define a vision for their product and dedicate a base level of time and resources to their entrepreneurial pursuit, they shift to the second subphase of attachment: extension. During this pivotal stage, founders seek out pathways to grow their organizations (e.g., funding) and/or experience an influx of sales and consumer interest. Founders generally begin to identify new delegates outside of their founding teams to assist them in capitalizing on potential growth opportunities. This is the first stage where most founders indicated that they are beginning to grapple with their cognitive capacity. This realization becomes salient for founders as their lack of delegation exacts a toll on their personal relationships:

“We went from, you know, a small team to a team of 12 overnight, you know, so I couldn't do anything, and I think we decided to hire really our first sales rep when I was sitting in the office in the middle of the night on a call with a client in Australia. And I thought I'm doing demos from eight o'clock in the morning till nine o'clock at night. I'm not seeing my wife. I'm not seeing my kids. This sucks, right?” (FND21)

In conjunction with the immense strain on founders’ personal lives, they also begin to recognize that they are becoming the bottleneck within their organization. While increased revenue is a virtuous byproduct of a sales influx, founders often need to turn to outside sources of funding, such as venture capital, to bring on new employees and maintain growth trajectories. Founders can occasionally get by via bootstrapping, capital from angel investors, and pre-seed funding, but several founders note that more substantial funding via Seed, Series A, or subsequent rounds is necessary to bring on talent and manage rapid growth (FND20 and
For founders with venture funding, they are now accountable to both their core team as well as to investors. No longer are they solely beholden to themselves:

“As soon as I have outside investors, I have an obligation that is different from ‘hey, it's just you and me, you know, in a sandbox, and if we fail, we fail; we're letting ourselves down’….so that becomes the trigger for when we've got to bring in professionals and then you ask yourself who do you trust?” (FND08)

Founders have a newfound responsibility, not just to themselves and their co-founders, but to investors and employees to ensure that the venture is successful. Teamwork is a vital component of organizational success (Hoogendoorn et al., 2017), and once founders have the perquisite funding and customer demand, it is difficult to grow the organization by being a jack-of-all-trades. However, because of the substantial energy that has been dedicated to their venture—often to the detriment of their personal health and relationships—they have often formed a psychological attachment to their ventures which can make delegation outside of their core team difficult. To continue progressing toward their growth trajectory, founders cede some authority. This can be difficult as several founders indicated that this will be the first time that they are delegating to those who are outside of the core team of founders.

Phase 2: Uncoupling

When founders contemplate bringing on new members to their foundational ventures, they undergo a process of psychological disengagement. This fundamentally changes their relationship with their start-up. Therefore, the uncoupling phase can lead to significant stagnation for the start-up. While many founders describe it as crucial to be able to “wear multiple hats” early on and set the vision for the enterprise, in the uncoupling phase, founders begin to see themselves as “team-builders” within their organizations (FND14). This phase is divided into two subphases: (1) reset, in which founders psychologically disengage from their venture and reconceptualize their role to capitalize on growth opportunities; and (2) transition, in which a
founder transitions from a jack-of-all-trades to a team-builder, ceding control to trusted individuals and capitalizing on their personal core competencies.

**Reset**

During the reset stage, founders reconceptualize their role within their start-up. Whereas initially founders were highly involved in the day-to-day operations of the venture, they begin to see themselves as an organizational leader. They realize their inability to detach from their ventures and areas of expertise prevents the organization from achieving its full potential.

FDN30 notes this mental reset:

“A lot of folks, frankly in technology, who actually want to be a founder in this space think you have to be this lopsided sort of, you know, genius in like technology or something, and it's so far from the truth. I think what you need to ultimately have are balanced teams. When you don't have enough resources to have a team then you have to be a balanced person.”

In the attachment phase, it is valuable to have the characteristics of a generalist. As a founder, you often lack the necessary resources to hire talent to help you achieve your goals, so you need to learn new skills to progress. Therefore, being a generalist is a necessary and important part of the start-up experience. As the original start-up venture begins to grow, however, founders must undergo a mental shift in which they accept that they cannot be involved in all aspects of decision-making for their start-up. Like the extension subphase, several founders note that there comes a point where they realized two things: (1) their individual well-being is beginning to suffer due to being overworked (i.e., sleep, health, relationships) and (2) they are becoming the bottleneck within the organization:

“I’m doing 100 banner ads a week and banners for the website. And designing the website and the app and every presentation and everything else that comes with that. I think you just kind of mentally and physically know, like, alright, I need help, I'm underwater. When you get to the point where everything that needs
to get done isn't getting done, it becomes very apparent that you need people to delegate to” (FND24)

Founders in this stage undergo a reset to see delegation as a pathway for personal and professional reprieve. Rather than seeing delegation as a potential threat to the organization, founders see uncoupling as a way of freeing up their own cognitive capacity as well as empowering their colleagues to take on additional responsibility, thereby helping to preserve their innovative culture. Those who find themselves still heavily involved in the day-to-day decision-making of their ventures often point to their inability to mentally reset and trust others with decision-making as a primary impediment to the growth of their venture. The founders who struggled with this mental reset phase will be discussed in greater detail in the stagnation section of this paper.

Transition

This mental reset allows founders to effectively transition to being strong leaders and team-builders. Having psychologically disengaged from their ventures, founders begin to cede substantial decision-making authority to their newly found colleagues. Although some founders continue to capitalize upon their personal core competencies, almost all founders in this stage begin to delegate decision-making authority to those whom they have identified as sufficiently passionate and capable. The exact processes by which they identify and onboard these individuals vary substantially, although most founders described that potential delegates must earn their trust. The attachment founders formed in the previous phase often has residual effects that make it challenging to navigate this transition:

“Sometimes you individually have to be less productive to make others more productive. And that's like kind of a big mentality shift of like, okay, well sometimes you can't do this, or you have to do this…you always have to be on and you have to be answering [questions], those kinds of shifts are kind of complicated” (FND03)
Founders often expressed the belief that it is their duty to “continually fire themselves from roles” (FND33). Whereas initially founders were highly involved in the day-to-day operations of the venture, now they predominately function as “team-builders” rather than a jack-of-all-trades or functional experts (FND22 and FND27). Employees who supplant founders are given significant autonomy within their areas of functional expertise. Founders indicated that a strong team ensures the start-up can remain competitive with rivals and maintain a culture of innovation. Building this team often comes at the expense of personal productivity. In addition, founders often find it difficult to trust others with the venture that they hold equity in. This held true irrespective of the industry the founder was operating in. However, trusting new employees was especially salient for founders who operate in industries in which failure can be ruinous for a start-up such as medical technology, food & beverage, and manufacturing industries:

"We don't have a widget that we're selling, you know, for $5.99 on the internet where you don't need to talk to anybody, it's very high touch. So, in sales, we need to have people we can trust to talk about that product, that complexity by themselves…so hiring is a challenge and an art. Making sure that you can trust the abilities and experience of the people you've hired. **And then actually trusting them.** You have to let go. And as a founder, I've been told it’s founders’ disease, you got to let it go, you got to let go of some of the control." (FND37)

This transition does not come without difficulties and can be a substantial shift for founders, especially for those who do not come from a corporate or management background thereby lacking experience with delegation. Whereas founders used to be heavily involved in more task-oriented work, in this transition subphase they are beginning to shift to more of a leadership role within their organization and are required to manage people. This often requires an increase in the number of meetings with delegates. During this transition period, some founders note that they felt more mental fatigue during their transition to a team-builder and more formal manager, see Table 1.
Phase 3: Opportunity

During the opportunity phase, founders describe how they are now responsible for conveying the vision of the start-up to others, setting the culture of the organization, and empowering employees to make decisions. Founders who are in this phase assert that they take a birds-eye view of the organization, often lacking visibility into many of the activities they formerly owned in the attachment phase of development. Therefore, founders shift to (1) building, in which they take an active role in setting the culture of the start-up, continue to develop as an organizational leader, and fortify the start-up’s strengths; and (2) catalyst, where they take on an active role in conveying the organization’s North Star to employees thereby ensuring employees can carry forth the core values of the organization.

Building

During the building subphase, founders describe one of their core responsibilities as leading their venture and providing employees with the autonomy necessary for them to succeed. Founders during this stage seek to build up those around them, identifying individuals who are exceptionally passionate or competent, and giving them the necessary resources. Several founders expressed the idea that a start-up is not necessarily the place where employees have the space to improve upon their weaknesses, rather it is a space for them to capitalize on their strengths and build core competencies for the enterprise (FND11). Most founders brought on individuals who have demonstrated high levels of competence and passion for the organization’s core mission. Those who can deliver results become invaluable to the start-up and the ability to instill this drive to achieve in others is crucial for ensuring long-term success:

“And like I said, get out of their way. And if they succeed at something, elevate it, promote it, and put them on a pedestal and show the whole organization something incredible that they did.”
And you have to keep pushing this mentality all the way through the entire organization.” (FND36)

The founder is responsible for driving the organization forward. To do so, the founder needs to capitalize on their individual strengths, often quickly delegating responsibilities that they consider their weak points. Several interviewees have stepped down from their roles (e.g., CEO) because they felt as though they are ill-suited to management. During this stage, founders also take a comprehensive view of their organization, identifying where the organization needs support and rewarding those who contribute to the company’s success. In this stage, it becomes important not just for the start-up founder to take on a leadership role, but for them to teach others to lead and internalize the organization’s values:

“You really have to live it, and you have to lead by example, and you need the people under you, also leading by example…If you're telling people that they need to take a break and take some time off, you better be doing that too. Because, if you're the boss, and you're burnt out, and the people around you see you working nonstop and leaving late at night their assumption is that they need to do the same thing. And that's the expectation.” (FND24)

During their tenure in their organizations, founders have indicated that they are seen as the primary authority figures. This becomes more salient in the building subphase because founders are often seen as the original organizational leader—they were the ones who established the vision of the start-up and built out the original teams. Because of this, people often turn to them for guidance. However, the founder cannot stay with the organization forever. Employees need to carry out these core company values autonomously. This is where the founder serves as a cultural catalyst within the start-up to instill these values so that they might be sustained as the organization becomes more hierarchical and expands.

Catalyst
Founders emphasized three broad areas within their start-ups that they were unlikely to delegate to others: strategic vision (i.e., defining the North Star of the venture), employee empowerment (i.e., giving employees autonomy to make decisions), and organizational performance (i.e., ensuring the venture remains profitable). Several founders alluded to fundraising being a potential fourth category. However, this belief was held by a comparatively small group. In this final stage, founders serve as cultural catalysts within their organizations. They are saddled with the responsibility of mentoring and empowering their subordinates to lead the organization into the future stages of evolution, thereby ensuring the start-up’s financial success and longevity. Several founders indicated that the aforementioned three functions were crucial components of establishing succession plans and transitions of power. Founders in this stage have established a core group of individuals, outside of the original founding team, to whom they can delegate. Early on during the attachment phase of development, founders were shaping the vision of the organization. In the catalyst stage, founders need to convey and instill a commitment to this vision in their employees:

“I have found it challenging. I mean at Company X, we have a team of 500 or so, clearly, I can't be in every interview and so forth. And you really do become dependent…And we hope that in some ways the DNA of a company will be instilled into people. If they’re a junior manager inside Company X trying to hire for their team, they're indexing off those five core values.” (FND23)

While founders in the building stage are actively building teams and setting the culture of the organization, founders in the catalyst stage assist all levels of employees in understanding the bigger picture of the organization. They are taking on an active role in mentoring and empowering employees to make decisions that maintain the vision of the organization. If successful, employees take on more responsibility for company performance and longevity. FND05, leading one of the oldest start-ups in this sample, noted this transformation:
“My co-founder and I didn't handle something very well on Friday. And the team took us to task for how poorly we did. And then they said, ‘Hey, guys, next time, why don't you lean on us more, and we will support you better. We feel like we let you guys down. And let you get into this situation where you made this bad decision.’ And, you know, so it's almost like the tables have flipped around the other way where the team's deciding what decisions should we let John and Parker make these days?” (FND05)

Like the uncoupling phase, those in the opportunity stage can experience stagnation. Founders in this stage can use their unique vantage point within the organization to ensure the team is set up for success. However, if the delegates do not fully understand the vision of the company, or they lack the autonomy to make decisions, the organization’s growth can stagnate. Conversely, if founders successfully adapt to their role as organizational leaders, the company can experience substantial growth as most of these later-stage founders have.

**Outcomes: Stagnation v. Growth**

Many of the founders who successfully progress through the stages laid out in this framework, see Figure 3, indicate that they have experienced substantial growth as a result. Founders’ passion and commitment to their ventures often lead to psychological attachment. Although this attachment proves crucial for start-up success in the early days of start-up development, uncoupling allows founders to capitalize on growth opportunities. The founder who has uncoupled and empowered employees will often have teams of diligent employees who carry on the original vision of the organization years after its founding. From an individual standpoint, founders describe delegation as a prerequisite to being more productive, having improved personal relationships, and decreasing levels of burnout. Although the scope of this study was not to examine company performance or employee satisfaction, the academic literature demonstrates that employee autonomy can improve organizational performance (Gambardella et al., 2020).
However, not all founders are able to successfully navigate all stages of this framework. Several founders demonstrated that delegating too early on served as an impediment to growth (FND16). They often experienced pushback from their teams and/or delegated to individuals who did irreparable damage to their brand’s image. In addition, FND02 notes that it is difficult to cede responsibility because of the attachment that has formed since the beginning of the venture:

“The key part of the value chain analysis was like, at the very bottom, we had to write down who's responsible for that aspect of the value chain. And my name was on all of them, except for I think, materials shipment. And they said, ‘Alright, we think we know what your problem is for why you can’t grow your company: It's right here. Your name is on everything.’” (FND02)

This founder is not alone; several other founders expressed that it is often difficult to let go of decision-making authority because founders bear substantial risk compared to employees. One of the defining features of a founder is they are holders of equity within their focal ventures (Knight et al., 2020). They must act on limited information when deciding to whom they should delegate. Interestingly, founders with years of experience in a corporate environment seemingly adapt easily to delegation compared to their younger, inexperienced counterparts. Some founders also tend to gravitate towards their domains of expertise, rather than shifting to a more managerial role during the uncoupling phase. It can be especially troublesome for founders to grow their ventures when they view themselves as experts in their craft, holding others to the same standard they hold themselves to. As FND18 notes, “I'm a below-average delegator, right? And I said the reasons why are that I'm sort of like a perfectionist and have strong opinions about how things should be done.” Multiple interviewees indicated that employees will often not have the same level of expertise as the founders; thus, their quality of work might be comparatively lacking in quality or timeliness compared to what a founder could reproduce. However, by overcoming this “perfectionist” mindset, founders have shown they can build and train a talented
team that can progress more as a united whole, rather than solely the labor of a few individuals. For founders who are considering a succession plan, they expressed confidence in their team’s ability to continue to progress towards the start-up’s ultimate purpose, or “North Star” (FND23), that the start-up was meant to achieve.

Founders who evolved alongside their organizations detailed how they were able to readily accommodate growth opportunities and stave off stagnation. From the onset, the onus is on the firm’s founder to determine whether the venture will succeed or fail. This drive to succeed becomes even more burdensome when founders experience an influx in sales or take on outside investors. Satisfying these outside stakeholders adds an additional incentive to succeed. Despite this responsibility, there is a limit to how many high-quality decisions founders can make (Dobrajska et al., 2015). To navigate this process and build a high-performing team, founders indicated that their personal evolution is intertwined with that of their start-up. As their start-ups meet key milestones, founders needed to shift their leadership tactics to propel their start-ups forward. Founders often accredited their start-up’s growth to their ability to evolve alongside their venture; the converse was true for those who felt their venture’s growth had stagnated; see Table 1 for additional quotes on each subphase.
Figure 3. Phase model of start-up founder delegation

Attachment Phase
- Development
- Extension

Uncoupling Phase
- Reset
- Transition

Opportunity Phase
- Building
- Catalyst

Stagnation

Growth
Discussion

Start-up founders are saddled with the responsibility of driving their venture’s vision forward, ensuring they provide value for shareholders, and often, overseeing the day-to-day activities of the organization, especially in the early years of their ventures. From the onset, the onus is on the firm’s founder to determine whether the venture will succeed or fail. Despite this responsibility, there is a limit on how many high-quality decisions founders can make, and they recognize they must delegate to free up their cognitive resources. This ensures they have the time, resources, and energy to tackle the endless tide of challenges facing their organizations. This research resulted in a process model that demonstrates how start-up founders delegate decision-making authority as their organizations meet key milestones, creating three phases of delegation: (1) attachment, (2) uncoupling, and (3) opportunity. At various points in the model, as indicated by founders, organizational stagnation or growth can occur.

Theoretical Contributions

Taking a holistic approach to start-up founder delegation contributed to scholarship on imprint theory. Consistent with findings put forth by De Cuyper et al. (2020), founders in this study recognized that they are leaving a lasting imprint on their organizations during the attachment phase and strive to attract employees who align with the organization’s underlying values and mission. Similarly, founder sentiment towards the advantageous nature of future planning early on corroborated Beckman & Burton’s assertion that planning is crucial at the organization’s founding due to a process of path dependence which thereby shapes the TMT (2008: 19). This paper supplements this theory by suggesting that delegating before a clear vision for the start-up has been established often leads to the delegate undermining the integrity of the company. Perhaps equally as important, to attract passionate colleagues, founders should
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espouse the values of the organization and carefully curate a culture that embodies these values. This paper contributes to the evolutionary approach of entrepreneurial firm development, demonstrating that founders have an outsize impact on firm performance.

My findings confirm that founders often feel a deep psychological attachment to their ventures (Wasserman, 2012). However, my findings suggest that this phenomenon may be more nuanced than initially proposed. While founders agreed that not uncoupling was one of the primary reasons for failure among start-ups, they also suggested that attachment early on was crucial to start-up success and longevity. Founders indicated this initial state of attachment allowed them to carefully shape the vision for their organization and added a layer of protection, ensuring they did not improperly delegate to someone who would undermine the organization. This study develops the theory that psychological attachment plays an important and positive role in start-up venture formation.

This research extends existing research on start-up team formation. Before founding, several late-stage founders indicated that they had little experience within an industry when they created their ventures. Many founders found that their intra-employee knowledge (i.e., abilities of employees and co-founders) and passion aided them in their pursuits. This is consistent with Kor’s (2003) observation that industry-specific managerial knowledge is less impactful for entrepreneurial growth compared to firm-specific knowledge. However, these founders generally had a co-founder, or another early-stage employee with knowledge of the industry, to shore up this insufficiency.

Founder responses confirm generalist tendencies early on in venture formation, but these responses begin to define specific milestones that drive the shift from generalist skillsets to a more managerial role. These findings generally confirm existing literature on delegation.
Founder responses largely coincided with Dobrajska et al. (2015) by demonstrating that formal authority holders (e.g., founders) generally appealed to others when they needed specialized knowledge, lacked domain expertise, and/or were overloaded with decisions. However, my findings do suggest that founders often lack the resources necessary to delegate to those with expertise, especially during the attachment phase. Thus, founders do not always have the luxury of delegating to those with expertise and must make decisions using their limited knowledge of a certain domain. Several founders with venture funding added that they have utilized their investors and advisors to assist them when lacking expertise. In addition, this research extends the findings of Heejung et al (2015) by demonstrating that task positions and qualifications shift rapidly within the context of a start-up as the organization meets specific milestones. Start-ups often reallocate roles amongst their members multiple times as they grow and scale. Thus, while initial task allocation is important, this study demonstrates that roles within a start-up are rapidly evolving. Those who initially occupy that role will likely be repositioned within the organization.

These results also suggest that delegation within start-ups, while still more fast-paced than more traditional corporate structures (e.g., Dobrajska et al., 2015), differs from the highly dynamic delegation tactics within improvisational settings. Whereas developing the skills of novices in dynamic settings has been depicted as central (Klein et al., 2006; Mayo, 2022), founders indicated that developing the skills of novices, especially improving upon individual weaknesses, was not a core consideration when delegating to colleagues. Most start-up founders primarily delegated to those who complimented their own skill sets (during the attachment phase) or individuals who built upon a core competency for the company (in the uncoupling phase). This indicates that start-up delegation may differ from that of more unpredictable contexts, such as a trauma unit. While start-ups differ from these highly dynamic settings on this
key dimension, the responses of founders did indicate that they reduced unnecessary bureaucratic structures and increased role-based flexibility to delegate more rapidly. This suggests that start-ups do share important characteristics with improvisational work settings and may benefit from future comparisons (Klein et al., 2006; Mayo, 2022).

**Practical Implications, Limitations, & Future Research**

Aside from this study’s contributions to scholarship on delegation, the findings from this research can serve as a guide to aspiring start-up founders and emerging business leaders. Existing research has examined delegation in either highly dynamic environments (e.g., Klein et al., 2006; Mayo, 2022) or established, static organizations (e.g., Dobrajska et al., 2015; Schriesheim et al., 1998). This paper specifically examined the delegation practices of start-up founders in practice, generating a template that start-up founders can reference as they create and grow their ventures. It also demonstrates that start-up founders need to evolve in their approach to delegation as their ventures scale—while being a generalist is seen as necessary during the early stages, failing to shift to a managerial role can lead to suboptimal levels of growth and development. Thus, this study spotlights the ability to context-switch and change roles as an essential attribute of the high-performing founder. This model also highlights areas that founders, especially those occupying leadership roles later in the development process, should dedicate significant cognitive resources toward: (1) strategic vision, (2) employee empowerment, and (3) organizational performance. This model may help explain why some founders are more successful at keeping pace with rapid growth and leaving a lasting imprint on the culture of their start-up enterprises.

While all interviews were conducted with both active and former start-up founders, almost all interviewees’ focal start-up was active as of the time of their interview. Although
many start-up founders noted that they knew other founders whose start-ups had failed, rarely did they mention their own venture failures. Multiple founders’ focal ventures have experienced substantial financial success with many featured in high-profile popular press publications and achieving Series A through Series F financing rounds. In addition, some ventures were acquired, or founders successfully took their ventures public. To fully understand these results and validate this process model, additional research should be conducted with founders who have experience founding a start-up with varying degrees of financial success (and failure). Doing so would shed light on how the delegation of decision-making authority differs between successful and unsuccessful start-up ventures. In addition, due to the relatively narrow range of industries, these findings may not generalize, and future research should be conducted to test the boundary conditions of these findings.

Given this study analyzed narrative data from founders, their responses may be subject to forms of bias (Chen et al., 2022). To determine the accuracy of statements put forth by founders, I would recommend comparing start-up founder interview data with data collected from their co-founders and colleagues (e.g., surveys and interviews) to ensure the validity of their responses. For example, founders who indicated in their interviews that they delegate significantly to colleagues and staff may not do so in practice. Similarly, interviewing, and cross-examining delegation processes of co-founders at the same firm might illuminate how leadership styles and functional specializations manifest within start-up teams. Founders often hinted at the idea that their co-founders complemented their skill sets and dispositions:

“He and I are a little bit yin and yang when it comes to operating styles and DNA...As partners, we've balanced each other well, he has a mindset in which he's very much going to solve it himself. Whereas I'm very quick to say somebody else has the answer, I just need to go find that person. If I see a problem, it's like, who else
has had that problem before? I'm going to go try and track them down” (FND23)

Finally, it may be prudent to engage in member checking (Marshall & Rossman, 2011) to confirm the validity of this theoretical model. Due to time constraints, doing so was not possible for this research project. Member checking could be conducted via subsequent interviews or email correspondence. Having participants review summaries of these findings would allow for feedback and iterations to better illustrate the experiences of start-up founders.
Conclusion

This paper contributes to the literature on delegation with organizations and founder decision-making. This study demonstrates that decision-making structures within start-ups, which are dynamic organizations different from older and more established companies, often require adaptable leadership techniques. Contrary to more static organizations, founders need to reconceptualize and shift how they are delegating to their colleagues multiple times throughout the lifecycle of their ventures to be successful. This study demonstrates that throughout all phases of growth, founders are saddled with the responsibility of ensuring their delegates understand the vision for the organization as the founder’s imprint will last long after they have exited their organizations. Founders need to set and maintain a clear “North Star” during the organization’s inception and beyond to ensure those with decision-making authority live up to the organization’s espoused values.
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Appendices

Appendix A: Interview Protocol v01

A. Background & Experience
A1: Could you tell me about your background? *Number of ventures, academic background, current position, primary responsibilities, etc.*
A2: What attracted you to this field of work? Have you found it matches your expectations? Why? Why not?
A3: Do you think you will remain in this line of work?
A4: What type of training and expertise do you have as it pertains to your role as a start-up founder?

B. Role
B1: Aside from your status as a founder, where is your role positioned in the company?
   • What is your official title?
   • How long have you occupied your current position?
   • Could you describe your responsibilities?
B2: How many people are there in your organization?
   • Who reports to you?
B3: To whom do you report?
   • Do you report to a board? A CEO? Yourself?
B4: What are the challenging aspects of your role?
B5: How do you overcome some of these challenges?
   • What resources do you draw on? Does your team, or people who report to you, help you with these challenges? How? Does the company or people you report to help you with these challenges? How?
B6: Could you give an example of a day at your start-up when you felt successful? What happened?
B7: Could you give an example of a day at your start-up when you were worried about failing? What happened?

C. Delegation of Authority
C1: How do you decide to whom you should delegate decision-making authority?
   • Can you give me an example?
C2: When do you generally delegate decision-making authority to your colleagues?
   • Can you give me an example?
C3: When would you delegate decision-making authority to an outsider vs an insider?
   • When do you draw on your external network, or contact outsiders, for expertise?
C4: Has the way you delegate decision-making authority changed over time? How so?
   • Can you give me an example?
C5: Overall, what has been your guiding philosophy for delegating decision-making authority?

D. Future Outlook
D1: If you met someone in your role, what kind of advice would you give them?
D2: How do you hope founders will lead in the future?

Protocol References
Interview protocol adapted from (2) publications:

https://doi.org/10.5465/amj.2019.0162

https://doi.org/10.1177/0001839217733972
Appendix B: Interview Protocol v02

A. Background & Experience
A1: Aside from your status as a founder, where is your role positioned in the company?
- What is your official title?
- How long have you occupied your current position?
- Please briefly describe your responsibilities.

A2: How many people are there in your organization?
- Who reports to you?

B. Temporal Delegation of Authority
B1: As a founder, when did you realize you needed to start delegating (e.g., going from a jack of all trades to a CEO)? *Observe how this role transition was experienced*
- If they are still a jack of all trades, when do they think they will start to delegate? What needs to happen first?

B2: Has the way that you delegate decision-making authority changed over time? How so?
- Can you give me an example?

B3: How has delegation impacted you? Have you found that your quality of work has improved, or have you experienced a decrease in burnout and stress?

B4: Have you found that you have been more successful at delegating today? How so?
- Can you give me an example? Examples: increased performance, decreased burnout/stress, etc.

C. Delegation Decision-Making Process
C1: How do you decide to whom you should delegate decision-making authority?
- Can you give me an example?

C2: What responsibilities have you reserved for yourself that you are unlikely to delegate? Do you find that you retain control over areas you have experience in rather than focusing on the broader vision of the organization?
- Do you think that you could delegate these responsibilities to someone else?

C3: From your experience, how do you think delegation is different in a start-up context compared to a more traditional corporate structure?
- Can you give me an example?

Protocol References
Interview protocol adapted from (2) publications:


Appendix C: Interview Protocol v03

A. Background & Experience
A1: Aside from your status as a founder, where is your role positioned in the company?
   • What is your official title?
   • How long have you occupied your current position?
   • Please briefly describe your responsibilities.
A2: How many people are there in your organization?
   • Who reports to you?
A3: Are you venture-backed? Do you have a board of directors you report to?

B. Temporal Delegation of Authority
B1: As a founder, when did you realize you needed to start delegating (e.g., going from a jack of all trades to a CEO)? *Observe how this role transition was experienced*
   • If they are still a jack of all trades, when do they think they will start to delegate? What needs to happen first?
B2: Has the way that you delegate decision-making authority changed over time? How so?
   • Can you give me an example?
B3: Have you found that you have been more successful at delegating today? How so?
   • Can you give me an example? Examples: improved company performance, decreased burnout/stress, etc.
B4: Have you identified a particular trigger or milestone that leads to increased or decreased delegation?

C. Delegation Decision-Making Process
C1: How do you decide to whom you should delegate decision-making authority? What’s your process for delegating?
   • Can you give me an example?
C2: Do you find yourself retaining control over areas you have expertise in rather than focusing on the broader vision of your organization?
   • Do you think that you could delegate these responsibilities to someone else?
C3: Why do you think it is that you or other start-up founders have struggled to delegate?
C4: From your experience, how do you think delegation is different in a start-up context compared to a more traditional corporate structure?
C5: In terms of delegation at your company, what challenges do you anticipate in the future?

Protocol References
Interview protocol adapted from (2) publications:


References


